215 South Cascade Street PO Box 496 Fergus Falls, Minnesota 56538-0496 218 739-8200 www.otpco.com (web site)

December 22, 2005

Ms. Patricia Van Gerpen Executive Director Public Utilities Commission State of South Dakota Pierre, SD 57501





Dear Ms. Van Gerpen:

Enclosed is the detail of the determination of the fuel adjustment factor for the three months ending November 2005. The new adjustment factor is applicable on bills dated on and after January 3, 2006 (Billing Cycle 1).

The calculation was made in compliance with the Fuel Adjustment Clause, Electric Rate Schedule - Rate Designation M-60S, as approved by the South Dakota Public Utilities Commission Order dated April 7, 2005 (Docket No. EL05-009). This calculation includes Item 6 of the tariff "Costs or revenues linked to the utility's load serving obligation, associated with participation in wholesale electric energy markets operated by Regional Transmission Organizations, Independent System Operators or similar entities that have received Federal Energy Regulatory Commission approval to operate the energy markets." A detail schedule of the items included in the calculation is attached to the enclosure. Otter Tail requests confidential treatment of columns (E) and (F) of the detail schedule pursuant to ARSD Part 20:10:01:41 due to the competitive nature of the data in those columns. Otter Tail is requesting confidential treatment for a period of at least 12 months and will request an extension in the future if necessary. Contact Pete Beithon, Manager of Regulatory Economics at: (218) 739-8607, 215 South Cascade Street, Fergus Falls, MN 56537 with any questions of concerns regarding the confidentiality request.

Revenue from Cost of Energy Adjustment for November 2005:

Total Sales in South Dakota Sales Subject to Fuel Adjustment Average Rate During Period Revenue in Period Energy Cost Adjustment - Effective 1/3/06 28,507,269 kWh 25,224,040 kWh \$.00903 \$227,803.49 \$.01162

Sincerely,

Regulatory Transactions Specialist

Regulatory Services

Enc.